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Chief, Fiscal Division

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Fiscal Inspector

Creation of a Reports Section Within the Accounting Branch

1. The Budget and Accounting Procedures Act of 1950 (P.L. 784) for the first time placed a clear responsibility on the head of the Agency to establish and maintain an adequate and complete system of accounting. Any new system developed by the Agency must, however, conform to the principles, standards, and related requirements of the General Accounting Office. The principles and purposes in developing a new method of Agency accounting are to provide the Agency facilities for full disclosure of the financial results of its activities; adequate financial information needed for management purposes; effective control over and accountability for all funds, property, and other assets for which the Agency is responsible including internal audit, and reliable accounting results to serve as the basis for the preparation and support of the Agency's budget requests for controlling the execution of the Agency's budget.

2. To fulfill these requirements with the formulation of Agency accounting systems, the establishment of a reporting section within the Accounts Branch, Fiscal Division is strongly recommended. The immediate responsibilities of the section would be for the analyzation of the present accounting structure; liaison with other offices requiring financial data to permit complete evolution of a system which would meet their needs, and the actual planning and development of Agency accounting procedures, taking into consideration the utilization of machine methods, such as IBM, to maintain and prepare statistical data.

3. Upon the completion of the initial steps mentioned, the reporting section would then assume and centralize Agency reporting functions and concern itself with the actual preparation of financial reports which would fulfill the requirements of Congress, General Accounting Office, Treasury Department, and the Bureau of the Budget. The section would also provide standard and uniform financial information for managerial purposes; essential information in connection with the formulation and execution of the Agency's budgetary program, and the compilation of data for comparable purposes.

4. It is rather difficult to visualize complete personnel requirements of the new reporting section, however, immediate requisites can be stated. The instant need upon implementation of the program would be for the establishment of two positions of accountants having the recommended grades of GS-11 and GS-9. Upon completion of the drafting of the accounting system and reporting functions, there then can be recommended the actual and/or additional positions necessary to meet the demands of the program.

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5. The early adoption of this program is quite essential in view of the provisions of the law and the change in regulations issued or to be issued thereunder. Present work schedules and workloads do not permit the complete assumption of such a large and embracing program by the present staff. For us to do so would actually hamper and retard the project since the substantial amount of detail work required in evolving a new Agency accounting system and reporting functions would place too great a burden on present personnel assignments.

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